

Approved May 10, 1983.

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CHAPTER 174

(Senate Bill 900)

AN ACT concerning

Commercial Law - Credit Extensions

FOR the purpose of providing that a certain limitation on the amount of charges that may be imposed and collected under certain provisions relating to closed-end credit do not apply to credit extensions secured by a first lien on residential real property or made for a bona fide commercial purpose.

BY repealing and reenacting, with amendments,

Article - Commercial Law  
Section 12-1005(a)  
Annotated Code of Maryland  
(1975 Volume and 1982 Supplement)  
(As enacted by Chapter\_\_\_\_(S.B. 591) of the Acts  
of the General Assembly of 1983)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

12-1005.

In addition to interest at a periodic percentage rate or rates permitted by §§ 12-1003 and 12-1004 of this subtitle, a credit grantor may charge and collect:

(a) (1) Loan fees, points, finder's fees, and other charges; however, all such charges may not exceed 2 percent of the original extension of credit;

(2) In the case of a loan to a consumer borrower, no loan fees, points, finder's fees, or other charges may be charged and collected unless the agreement, note, or other evidence of the loan so provides and the loan is secured by a lien on residential real property; however, all such charges may not exceed 2 percent of the original extension of credit;

(3) THE 2 PERCENT LIMITATIONS IMPOSED BY (A)(1) AND (2) ABOVE DO NOT APPLY TO A CREDIT EXTENSION: